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Hearing Date: Sept. 18, 2013, at 10:00 a.m. (EST)
Objection Deadline: Sept. 11, 2013 at 4:00 p.m. (EST)

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Timothy D. Reuben

Attorneys for *Retirement Housing Foundation and its affiliates, Foundation Property Management, Bixby Knolls Towers, Inc., Gold Country Health Center, Inc., Mayflower Gardens Health Facilities, Inc., Mayflower RHF Housing, Inc., Sun City RHF Housing, Holly Hill RHF Housing, Inc., Merritt Island RHF Housing, Inc., Martin Luther Foundation, Inc., Yellowwood Acres, Inc., Bluegrass RHF Housing, Inc., St. Catherine RHF Housing, Inc. and DeSmet RHF Housing, Inc.*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:
	:
LEHMAN BROTHERS HOLDINGS, INC., <i>et al.</i>	:
	:
Debtors.	:
	:
-----X	

Chapter 11
Case No. 08-13555 (JMP)
(Jointly Administered)

**DECLARATION OF TIMOTHY D. REUBEN IN SUPPORT
OF RETIREMENT HOUSING FOUNDATION'S MOTION
RE: AUTOMATIC STAY**

Timothy D. Reuben, under penalties of perjury, certifies and declares:

1. I am a principal in the law firm of Reuben Raucher & Blum, attorneys for moving parties Retirement Housing Foundation ("RHF") and its affiliates, and, as such, I am fully familiar with the facts and circumstances of this matter.

2. Attached hereto as **Exhibit 1** is a true and correct copy of RHF's proposed complaint (without exhibits), seeking both declaratory relief regarding the Early Termination Notice and redress for the Tort Claim.

3. Attached hereto as **Exhibit 2** is a true and correct copy of an Order entered against Lehman Brothers and others on May 31, 2006 by the United States Securities and Exchange Commission.

4. Attached hereto as **Exhibit 3** is a true and correct copy of one of the Confirmations from the 1998 Swap entered into between RHF and Lehman.

5. Attached hereto as **Exhibit 4** is a true and correct copy of the 2008 Swap entered into between RHF and Lehman.

6. Attached hereto as **Exhibit 5** is a true and correct copy of the resume of RHF's valuation expert, W. Scott Mowrey of Cohen, Miskei & Mowrey.

7. Attached hereto as **Exhibit 6** is a true and correct copy of the Early Termination calculation statement prepared by valuation expert W. Scott Mowrey, and provided by RHF to Lehman Brothers Special Financing on July 29, 2009.

8. Attached hereto as **Exhibit 7** is a true and correct copy of Confirmations of the caps entered into by RHF with Bank of the West on January 13, 2010.

9. Attached hereto as **Exhibit 8** is a true and correct copy of the proof of claim filed in this bankruptcy by RHF on September 4, 2009, Claim Number 10495 (the "**Tort Claim**").

10. In a letter dated January 27, 2010, Lehman requested certain additional information regarding RHF's Calculation Statement. Without waiving any rights, RHF provided the information in a letter dated March 10, 2010, a true and correct copy of which is attached hereto as **Exhibit 9**.

11. I am counsel of record for RHF in the California Action, Los Angeles Superior Court Case No. BC404726, pursuant to which RHF commenced an action against Cain

Brothers, ACA, and the former Officers and Directors of Lehman (the “CA Action”). The CA Action is pending before the Court’s Complex Civil Litigation Program. That program is designed to provide more effective and efficient case resolution for cases that require unusual amounts of judicial time because of legal or factual complicated issues.

12. The CA Action has been litigated extensively, although significant work remains to be done. The parties have exchanged relevant documents and conducted many depositions. In addition, there has already been appellate practice, and one defendant, Cain Brothers, has filed a Motion for Summary Judgment, which was denied. Accordingly, the CA Court is well-versed in the facts and circumstances of this matter.

13. Although the directors and officers initially successfully demurred to RHF’s complaint, that ruling was overturned on appeal. The Court of Appeal’s Opinion in this regard is attached hereto as **Exhibit 10**.

14. The directors and officers subsequently demurred again, and the Notice of Ruling on that demurrer, pursuant to which leave to amend was granted, is attached hereto as **Exhibit 11**.

15. Also attached hereto as **Exhibit 12** is a true and correct copy of the current operative pleading in the CA Action (without exhibits).

16. A true and correct copy of the CA Court’s recent order denying Cain Brothers’ Motion for Summary Judgment is attached hereto as **Exhibit 13**.

17. RHF will be compelled to call its bank lenders as potential witnesses with regards to the conditions precedent to the termination of the 2008 Swap, and the actions taken by RHF in meeting these conditions precedent. Those witnesses are overwhelmingly located in California, including the following:

- Barbara Readick, First Vice President and Regional Manager, KBC Bank (Los Angeles, CA);
- Tiena Johnson-Hall, former VP-Regional Manager Community Lending, US Bank (Los Angeles, CA);
- Charmaine Atherton, SVP Community Development Banking - So. California, Bank of America Merrill Lynch (Los Angeles, CA); and
- Astrid Kramarz, Senior Relationship Manager / Vice President, REID/Healthcare Lending (Trinidad, CO).

In addition, all of the key RHF personnel who will be witnesses – including Brian Magnone, RHF’s Vice President/Treasurer, and Frank Rossello, RHF’s CFO and Vice President/Finance – work out of RHF’s Long Beach, California headquarters.

/s/ Timothy D. Reuben
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